

75-3060

VILLAGE OF WHITE PIGEON

WHITE PIGEON, MICHIGAN

FINANCIAL STATEMENTS

MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

RECEIVED
DEPT. OF TREASURY

JUL - 9 2004

| | | | | | |
|---|--|--|--|---|--|
| Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other | | Local Government Name WHITE PIGEON | | County WILLIAMSBURG | |
| Audit Date March 31, 2004 | | Opinion Date June 9, 2004 | | Date Accountant Report Submitted to State: July 8, 2004 | |

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

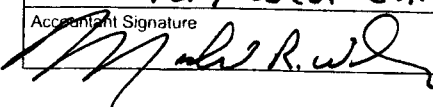
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

| | Enclosed | To Be Forwarded | Not Required |
|---|----------|-----------------|--------------|
| The letter of comments and recommendations. | | | X |
| Reports on individual federal financial assistance programs (program audits). | | | X |
| Single Audit Reports (ASLGU). | | | X |

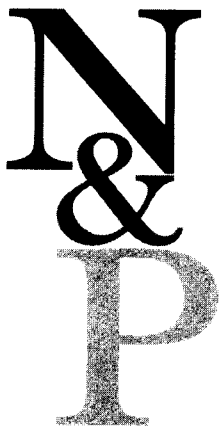
| | | | |
|--|--|------------------------|--------------------|
| Certified Public Accountant (Firm Name) NORMAN & PAULSEN P.C. | | | |
| Street Address 127 West Chicago Road | | City Sturgis | State MI |
| Accountant Signature  CIA | | ZIP 49091 | |
| Date Michael R. Wilson | | | |

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INDEPENDENT AUDITOR'S REPORT

To the Village Council
Village of White Pigeon, Michigan

We have audited the accompanying general purpose financial statements of the Village of White Pigeon, Michigan, as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Norman & Paulsen, P.C.

Certified Public Accountants

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Sturgis, MI 49091
269.651.3228
Fax 269.651.5146
E-mail
normanpaulsen@charter.net

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Other Location:

123 N. Main Street
Three Rivers, MI 49093
269.273.8641
Fax 269.278.8252
E-mail
normanpaulsen@earthlink.net

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of White Pigeon, Michigan, as of March 31, 2004, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements for the year ended March 31, 2004, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of White Pigeon, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements for the year ended March 31, 2004, and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Donald L. Paulsen, CPA
Patrick J. Monahan, CPA
Bruce S. A. Gosling, CPA
Michael R. Wilson, CPA
Rick L. Strawser, CPA
Jerrel T. Norman (1941-1982)

June 9, 2004

Norman & Paulsen, P.C.

VILLAGE OF WHITE PIGEON

COMBINED BALANCE SHEET - ALL FUND TYPES
MARCH 31, 2004

GOVERNMENTAL
FUND TYPES

General Special
Revenue

ASSETS

| | | |
|---|-------------------|-------------------|
| Cash and cash equivalents | \$ 128,381 | \$ 85,457 |
| Due from other governmental units | 50,884 | 22,226 |
| Due from other funds | 1,131 | - |
| Accounts receivable | - | - |
| Special assessments receivable | - | - |
| Property, plant and equipment | | |
| - at cost, less accumulated depreciation | - | - |
| - at cost, with no allowance for depreciation | - | - |
| Total assets | <u>\$ 180,396</u> | <u>\$ 107,683</u> |

LIABILITIES AND FUND EQUITY

LIABILITIES

| | | |
|-----------------------|----------|--------|
| Accounts payable | \$ 3,083 | \$ 212 |
| Wages payable | 2,719 | 291 |
| Accrued interest | - | - |
| Due to other funds | - | - |
| Revenue bonds payable | - | - |
| Total liabilities | 5,802 | 503 |

FUND EQUITY

| | | |
|------------------------------------|---------|---------|
| Fund balance - reserved | 129,680 | - |
| Fund balance - unreserved | 44,914 | 107,180 |
| Retained earnings - reserved | - | - |
| Retained earnings - unreserved | - | - |
| Contributed capital | - | - |
| Investment in general fixed assets | - | - |

Total fund equity 174,594 107,180

Total liabilities and fund equity \$ 180,396 \$ 107,683

See accompanying notes to financial statements

| PROPRIETARY FUND TYPES | FIDUCIARY FUND TYPES | ACCOUNT GROUP | TOTALS MEMORANDUM ONLY |
|---------------------------|-------------------------|-------------------------|------------------------------|
| | | | March 31, 2004 |
| Enterprise | Expendable Trust | General Fixed Assets | |
| \$ 51,003 | \$ 1,131 | \$ - | \$ 265,972 |
| - | - | - | 73,110 |
| - | - | - | 1,131 |
| 24,280 | - | - | 24,280 |
| 123,772 | - | - | 123,772 |
| 869,504 | - | - | 869,504 |
| - | - | 857,780 | 857,780 |
| <u>\$ 1,068,559</u> | <u>\$ 1,131</u> | <u>\$ 857,780</u> | <u>\$ 2,215,549</u> |

| | | | |
|---------------------|-----------------|-------------------|---------------------|
| \$ 647 | \$ - | \$ - | \$ 3,942 |
| 369 | - | - | 3,379 |
| 4,265 | - | - | 4,265 |
| - | 1,131 | - | 1,131 |
| 195,000 | - | - | 195,000 |
| 200,281 | 1,131 | - | 207,717 |
| - | - | - | 129,680 |
| - | - | - | 152,094 |
| 40,500 | - | - | 40,500 |
| 87,387 | - | - | 87,387 |
| 740,391 | - | - | 740,391 |
| - | - | 857,780 | 857,780 |
| 868,278 | - | 857,780 | 2,007,832 |
| <u>\$ 1,068,559</u> | <u>\$ 1,131</u> | <u>\$ 857,780</u> | <u>\$ 2,215,549</u> |

VILLAGE OF WHITE PIGEON

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES YEAR ENDED MARCH 31, 2004

| | GOVERNMENTAL FUND TYPES | | TOTALS MEMORANDUM ONLY |
|--|----------------------------|--------------------|------------------------------|
| | General | Special Revenue | March 31, 2004 |
| REVENUES | | | |
| Property taxes | \$ 257,436 | \$ - | \$ 257,436 |
| State aid | 168,877 | 114,300 | 283,177 |
| State grant | 868 | - | 868 |
| Interest and penalties | 2,965 | - | 2,965 |
| Licenses, permits and fees | 2,836 | - | 2,836 |
| Rent | 19,010 | - | 19,010 |
| Other | 34,328 | - | 34,328 |
| Total revenues | 486,320 | 114,300 | 600,620 |
| EXPENDITURES | | | |
| General government | 217,819 | - | 217,819 |
| Park | 24,505 | - | 24,505 |
| Fire service | 3,000 | - | 3,000 |
| Village hall | 3,546 | - | 3,546 |
| Police department | 260,195 | - | 260,195 |
| Major streets | - | 72,354 | 72,354 |
| Local streets | - | 42,461 | 42,461 |
| Total expenditures | 509,065 | 114,815 | 623,880 |
| Excess (deficiency) of revenues over expenditures | (22,745) | (515) | (23,260) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | - | 25,250 | 25,250 |
| Operating transfers out | (55,000) | (20,250) | (75,250) |
| Total other financing sources (uses) | (55,000) | 5,000 | (50,000) |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (77,745) | 4,485 | (73,260) |
| FUND BALANCE - BEGINNING | 252,339 | 102,695 | 355,034 |
| FUND BALANCE - ENDING | \$ 174,594 | \$ 107,180 | \$ 281,774 |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES YEAR ENDED MARCH 31, 2004

GENERAL FUND

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|--|------------|------------|---|
| REVENUES | | | |
| Property taxes | \$ 257,130 | \$ 257,436 | \$ 306 |
| State aid | 189,000 | 168,877 | (20,123) |
| State grant | 1,000 | 868 | (132) |
| Interest and penalties | 3,500 | 2,965 | (535) |
| Licenses, permits and fees | 3,200 | 2,836 | (364) |
| Rent | 21,000 | 19,010 | (1,990) |
| Other | 32,079 | 34,328 | 2,249 |
| Total revenues | 506,909 | 486,320 | (20,589) |
| EXPENDITURES | | | |
| General government | 228,907 | 217,819 | 11,088 |
| Parks | 24,552 | 24,505 | 47 |
| Fire service | 3,000 | 3,000 | - |
| Village hall | 3,100 | 3,546 | (446) |
| Police department | 260,617 | 260,195 | 422 |
| Major streets | - | - | - |
| Local streets | - | - | - |
| Total expenditures | 520,176 | 509,065 | 11,111 |
| Excess (deficiency) of revenues over expenditures | (13,267) | (22,745) | (9,478) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | - | - | - |
| Operating transfers out | (55,000) | (55,000) | - |
| Total other financing sources (uses) | (55,000) | (55,000) | - |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (68,267) | (77,745) | (9,478) |
| FUND BALANCE - BEGINNING | 252,339 | 252,339 | - |
| FUND BALANCE - ENDING | \$ 184,072 | \$ 174,594 | \$ (9,478) |

See accompanying notes to financial statements

SPECIAL REVENUE FUNDS

| <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|-------------------|-------------------|--|
| \$ - | \$ - | \$ - |
| 111,500 | 114,300 | 2,800 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 111,500 | 114,300 | 2,800 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 74,533 | 72,354 | 2,179 |
| 43,281 | 42,461 | 820 |
| 117,814 | 114,815 | 2,999 |
| (6,314) | (515) | 5,799 |
| 25,250 | 25,250 | - |
| (20,250) | (20,250) | - |
| 5,000 | 5,000 | - |
| (1,314) | 4,485 | 5,799 |
| 102,695 | 102,695 | - |
| <u>\$ 101,381</u> | <u>\$ 107,180</u> | <u>\$ 5,799</u> |

VILLAGE OF WHITE PIGEON

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2004

| | <u>Proprietary Fund Types</u> |
|---|-----------------------------------|
| | <u>Enterprise</u> |
| OPERATING REVENUES | \$ 93,926 |
| OPERATING EXPENSES | <u>133,099</u> |
| NET OPERATING EARNINGS (LOSS) | (39,173) |
| NONOPERATING REVENUES (EXPENSES) | <u>(2,623)</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFER | (41,796) |
| OPERATING TRANSFER IN | <u>50,000</u> |
| NET EARNINGS | 8,204 |
| RETAINED EARNINGS - BEGINNING | <u>119,683</u> |
| RETAINED EARNINGS - ENDING | <u>\$ 127,887</u> |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2004

| | <u>Proprietary Fund Types</u> |
|---|-----------------------------------|
| | |
| | <u>Enterprise</u> |
| CASH PROVIDED INTERNALLY: | |
| Net earnings | \$ 8,204 |
| Items not requiring the use of cash: | |
| Depreciation | <u>42,140</u> |
| Cash provided by operations | 50,344 |
| Changes in working capital: | |
| Accounts receivable | (2,615) |
| Due from other funds | - |
| Accounts payable | (1,788) |
| Wages payable | (1,086) |
| Accrued interest | <u>(220)</u> |
| Net cash provided internally | 44,635 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Collection of special assessments | 8,775 |
| Contributed capital proceeds | - |
| Acquisition of capital assets | - |
| Principal payments on debt | <u>(10,000)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(1,225)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 43,410 |
| CASH AND CASH EQUIVALENTS - BEGINNING | <u>7,593</u> |
| CASH AND CASH EQUIVALENTS - ENDING | <u>\$ 51,003</u> |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Village of White Pigeon operates a Council-President form of government and provides the following services as authorized by its charter: public safety (police, fire and inspections), highways and streets, sanitation, parks and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of White Pigeon conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Scope of Reporting Entity:

In accordance with the provisions of the Governmental Accounting Standards Board's Statement No. 14, "The Financial Reporting Entity", the financial statements of the Village of White Pigeon contain all Village funds, account groups and authorities that are controlled by or dependent on the Village's executive or legislative branches. Control by or dependence on the Village was determined on the basis of appointment or governing authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Village, obligation of the Village to finance any deficits that may occur, receipt of significant subsidies from the Village, disposition of surplus funds, and scope of public service.

B. Basis of Presentation - Fund Accounting:

The accounts of the Village are organized on the basis of fund and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report, into the fund types and broad fund categories as follows:

VILLAGE OF WHITE PIGEON

NOTES TO FINANCIAL STATEMENTS - Continued
YEAR ENDED MARCH 31, 2004

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the Village as an agent for individuals, private organizations, other governments and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUP

General Fixed Assets Account Group - This account group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

C. Basis of Accounting:

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

VILLAGE OF WHITE PIGEON

NOTES TO FINANCIAL STATEMENTS - Continued
YEAR ENDED MARCH 31, 2004

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future year) or when earned and expected to be collected soon enough after year end to pay liabilities of the current year. Significant revenues susceptible to accrual include most intergovernmental revenues (e.g. income taxes, sales taxes, Act 51 funds). Licenses and permits, fines and forfeits and miscellaneous revenue sources generally are recorded as revenues when received in cash because they are not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

D. Budgets

Governmental fund types are under formal budgetary control. Budgets shown in the financial statements were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those contained in the formal budget approved by the Village Council.

E. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

F. Compensated Absences

It is the Village's policy to not pay for unused vacation or sick days and not to allow accumulation of unpaid days. Therefore, no current or long-term liability has been accrued.

VILLAGE OF WHITE PIGEON

NOTES TO FINANCIAL STATEMENTS - Continued
YEAR ENDED MARCH 31, 2004

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

G. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a year.

Fixed assets purchased and used in Governmental Fund type operations (general fixed assets) are recorded as expenditures in the General and Special Revenue Funds at the time of purchase, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method.

VILLAGE OF WHITE PIGEON

NOTES TO FINANCIAL STATEMENTS - Continued
YEAR ENDED MARCH 31, 2004

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Retirement Plan

The Village has a retirement plan which covers certain employees. The Village pays the total cost of the plan. There were no unfunded past service costs at March 31, 2004. The retirement expense of the Village included in computing excess of revenues over expenditures for the year ended March 31, 2004, was \$16,270.

I. Property Taxes

Property taxes attach as an enforceable lien on property as of December 31. Village taxes are levied on the following July 1 and are payable without penalty through September 16. The Village bills and collects its own property taxes. Village property tax revenues are recognized as revenues in the fiscal year levied to the extent that they are measurable and available in accordance with NCGA interpretation 3 (Revenue Recognition - Property Taxes).

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--------------|---------------------------------|------------------------------|
| General | \$ 1,131 | \$ - |
| Major Street | - | - |
| Local Street | - | - |
| Water | - | - |
| Trust | - | 1,131 |
| Total | <u>\$ 1,131</u> | <u>\$ 1,131</u> |

VILLAGE OF WHITE PIGEON

NOTES TO FINANCIAL STATEMENTS - Continued
YEAR ENDED MARCH 31, 2004

NOTE 3 - CASH AND CASH EQUIVALENTS

The Village's cash and cash equivalents at March 31, 2004, are composed of the following:

| | Cash and Cash Equivalents |
|-------------------------|------------------------------|
| Checking | \$ 10,523 |
| Savings | 215,566 |
| Certificates of deposit | <u>39,883</u> |
| Total | <u>\$ 265,972</u> |

DEPOSITS - The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared, or of deposits in transit) at \$300,045. Of that amount \$239,883 was covered by federal depository insurance coverage and \$60,162 was uninsured and uncollateralized.

NOTE 4 - FIXED ASSETS - WATER UTILITY FUND

Depreciation included in the determination of net earnings for the year ended March 31, 2004, amounted to \$42,140 and is based on the straight line method. The principal categories of fixed assets are as follows:

| | |
|--------------------------------|-------------------|
| Water system | \$ 1,235,770 |
| Less: Accumulated depreciation | <u>366,266</u> |
| Undepreciated cost | <u>\$ 869,504</u> |

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

| | Balance 3-31-03 | Additions | Deletions | Balance 3-31-04 |
|---------------------------|--------------------|-----------------|-----------------|--------------------|
| Land and buildings | \$ 413,945 | \$ 5,100 | \$ - | \$ 419,045 |
| Equipment and vehicles | <u>445,675</u> | <u>1,560</u> | <u>8,500</u> | <u>438,735</u> |
| | <u>\$ 859,620</u> | <u>\$ 6,660</u> | <u>\$ 8,500</u> | <u>\$ 857,780</u> |

General fixed assets are recorded as expenditures in the General Fund at time of purchase. Such assets are capitalized at cost in the general fixed asset group of accounts. No depreciation has been provided for general fixed assets.

VILLAGE OF WHITE PIGEON

NOTES TO FINANCIAL STATEMENTS - Continued
YEAR ENDED MARCH 31, 2004

NOTE 6 - LONG-TERM DEBT

Debt obligations payable at March 31, 2004, are comprised of the following individual issues:

Enterprise Fund Debt:

| | |
|---|-------------------|
| Water supply system bonds payable in annual installments of \$5,000 to \$15,000 through May 1, 2017; interest at 5.25% | <u>\$ 195,000</u> |
|---|-------------------|

The annual requirements to service Enterprise Fund Debt obligations as of March 31, 2004, including interest are as follows:

| | |
|------------------------------------|-------------------|
| 2005 | \$ 19,975 |
| 2006 | 19,450 |
| 2007 | 18,925 |
| 2008 | 18,400 |
| 2009 | 17,875 |
| Thereafter | <u>176,368</u> |
| Total | 270,993 |
| Less: amount representing interest | <u>75,993</u> |
| Total debt | <u>\$ 195,000</u> |

NOTE 7 - FUND BALANCE - RESERVED

Fund balance-reserved at March 31, 2004, consist of the following:

| | |
|---|-------------------|
| Reserved for road maintenance | \$ 63,309 |
| Reserved for drug forfeiture program | 16,078 |
| Reserved for capital acquisitions: | |
| Police department | 2,982 |
| Maintenance department | 38,883 |
| Reserved for depot restoration | 3,506 |
| Reserved for salvage inspection program | <u>4,922</u> |
| Total | <u>\$ 129,680</u> |

VILLAGE OF WHITE PIGEON

NOTES TO FINANCIAL STATEMENTS - Continued
YEAR ENDED MARCH 31, 2004

NOTE 8 - RETAINED EARNINGS - RESERVED

Retained earnings - reserved at March 31, 2004, consist of the following:

| | |
|---|------------------|
| Reserved for bond interest and redemption | \$ 20,500 |
| Reserved for improvement and replacement | <u>20,000</u> |
| Total | <u>\$ 40,500</u> |

NOTE 9 - NEW ACCOUNTING PRONOUNCEMENT

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Under the provisions of this GASB standard, which becomes effective for the Village's year ending March 31, 2005, the Village will use business type reporting activity (BTA). BTA reporting will require the Village to present management's discussion and analysis (MD&A) of financial results, a statement of net assets or a balance sheet, a statement of revenue, expenses and changes in net assets, a statement of cash flows, notes to the financial statements, and other required supplementary information. The required basic financial statements described above will be prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial information is not required for BTA reporting.

Financial reporting under GASB 34 will require reporting fund balance as net assets, reporting tax revenues as non-operating income, changing certain financial statement disclosure formats including the property and equipment, and long-term debt disclosures, and including the MD&A. Management has not yet determined the effect of the implementation of this statement on the Village's financial statements.

ADDITIONAL INFORMATION

VILLAGE OF WHITE PIGEON

GENERAL FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

| | |
|-----------------------------------|-------------------|
| Cash and cash equivalents | \$ 128,381 |
| Due from other governmental units | 50,884 |
| Due from other funds | <u>1,131</u> |
| Total assets | <u>\$ 180,396</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|-------------------|--------------|
| Accounts payable | \$ 3,083 |
| Wages payable | <u>2,719</u> |
| Total liabilities | 5,802 |

FUND BALANCE

| | |
|---|---------------|
| Reserved for road maintenance | 63,309 |
| Reserved for drug forfeiture program | 16,078 |
| Reserved for capital acquisitions | 41,865 |
| Reserved for depot restoration | 3,506 |
| Reserved for salvage inspection program | 4,922 |
| Unreserved | <u>44,914</u> |

| | |
|--------------------|----------------|
| Total fund balance | <u>174,594</u> |
|--------------------|----------------|

| | |
|---------------------------------------|-------------------|
| Total liabilities and fund balance | <u>\$ 180,396</u> |
|---------------------------------------|-------------------|

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|--|------------|------------|---|
| REVENUES | | | |
| Property taxes - general | \$ 245,522 | \$ 232,994 | \$ (12,528) |
| Property taxes - road maint. | 11,608 | 24,442 | 12,834 |
| Licenses and permits | 3,200 | 2,836 | (364) |
| State shared revenues | 189,000 | 168,877 | (20,123) |
| State reimb. - police training | 1,000 | 868 | (132) |
| Interest income | 3,500 | 2,965 | (535) |
| Rental income | 21,000 | 19,010 | (1,990) |
| Miscellaneous income | 6,524 | 7,705 | 1,181 |
| Contributions | 2,000 | 4,777 | 2,777 |
| Drug forfeitures | 6,000 | 5,123 | (877) |
| Police charges and fines | 17,555 | 16,723 | (832) |
| Total revenues | 506,909 | 486,320 | (20,589) |
| EXPENDITURES | | | |
| Village council | 86,581 | 86,665 | (84) |
| Elections | 850 | 1,293 | (443) |
| Clerk | 5,620 | 5,697 | (77) |
| Treasurer | 6,420 | 6,443 | (23) |
| Village hall | 3,100 | 3,546 | (446) |
| Police department | 260,617 | 260,195 | 422 |
| Fire service | 3,000 | 3,000 | - |
| Building official | 6,090 | 5,936 | 154 |
| Rubbish | 3,061 | 3,061 | - |
| Park | 24,552 | 24,505 | 47 |
| Maintenance | 120,285 | 108,724 | 11,561 |
| Total expenditures | 520,176 | 509,065 | 11,111 |
| Excess (deficiency) of revenues over expenditures | (13,267) | (22,745) | (9,478) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers out | (55,000) | (55,000) | - |
| Excess (deficiency) of revenues over expenditures and other uses | (68,267) | (77,745) | (9,478) |
| FUND BALANCE - BEGINNING | 252,339 | 252,339 | - |
| FUND BALANCE - ENDING | \$ 184,072 | \$ 174,594 | \$ (9,478) |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

GENERAL FUND

STATEMENTS OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2004

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|----------------------------|----------|----------|---|
| VILLAGE COUNCIL | | | |
| Council salaries | \$ 5,300 | \$ 5,220 | \$ 80 |
| Office salaries | 21,000 | 21,043 | (43) |
| Employer's social security | 2,300 | 2,074 | 226 |
| Hospitalization insurance | 5,850 | 5,442 | 408 |
| Retirement | 1,800 | 507 | 1,293 |
| Workers' compensation | - | 1,810 | (1,810) |
| Office supplies | 4,200 | 3,132 | 1,068 |
| Professional services | 4,847 | 4,540 | 307 |
| Memberships and dues | 2,000 | 1,530 | 470 |
| Communications | 1,100 | 1,052 | 48 |
| Community promotion | 2,000 | 1,224 | 776 |
| Printing and publishing | 2,500 | 1,782 | 718 |
| General insurance | 5,747 | 5,747 | - |
| Street lighting | 16,000 | 18,217 | (2,217) |
| School crossing guard | 4,000 | 3,735 | 265 |
| Miscellaneous | 836 | 709 | 127 |
| Repairs and maintenance | 2,000 | 3,801 | (1,801) |
| Depot restoration project | 5,101 | 5,100 | 1 |
| Capital outlay | - | - | - |
| Total Village Council | 86,581 | 86,665 | (84) |
| ELECTIONS | | | |
| Supplies | 150 | 16 | 134 |
| Contract services | 600 | 881 | (281) |
| Miscellaneous | 100 | 396 | (296) |
| Total Elections | 850 | 1,293 | (443) |
| CLERK | | | |
| Salary | 5,250 | 5,250 | - |
| Employer's social security | 320 | 402 | (82) |
| Miscellaneous | 50 | 45 | 5 |
| Total Clerk | 5,620 | 5,697 | (77) |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

GENERAL FUND

STATEMENTS OF EXPENDITURES, COMPARED TO BUDGET - Continued
YEAR ENDED MARCH 31, 2004

| | <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|----------------------------|---------------|---------------|--|
| TREASURER | | | |
| Salary | 5,000 | 5,000 | - |
| Employer's social security | 320 | 382 | (62) |
| Supplies | 900 | 899 | 1 |
| Miscellaneous | 200 | 162 | 38 |
| Total Treasurer | 6,420 | 6,443 | (23) |
| VILLAGE HALL | | | |
| Repairs and maintenance | - | 48 | (48) |
| Utilities | 2,500 | 2,696 | (196) |
| Miscellaneous | 600 | 802 | (202) |
| Total Village Hall | 3,100 | 3,546 | (446) |
| POLICE DEPARTMENT | | | |
| Salaries | 170,000 | 170,187 | (187) |
| Employer's social security | 14,000 | 13,576 | 424 |
| Hospitalization insurance | 29,000 | 27,323 | 1,677 |
| Retirement | 10,500 | 8,882 | 1,618 |
| Workers' compensation | 1,020 | 8,409 | (7,389) |
| Supplies | 4,750 | 3,906 | 844 |
| Uniforms | 3,200 | 3,284 | (84) |
| Professional services | 3,500 | 3,815 | (315) |
| Memberships and dues | 400 | 175 | 225 |
| Communications | 2,000 | 1,565 | 435 |
| General insurance | 5,747 | 5,747 | - |
| Education and training | 1,200 | 800 | 400 |
| Gas and oil | 4,000 | 3,999 | 1 |
| Repairs and maintenance | 5,600 | 3,743 | 1,857 |
| Reserve program | 500 | 116 | 384 |
| Salvage inspection program | 2,500 | 2,167 | 333 |
| Drug forfeiture program | 2,000 | 2,217 | (217) |
| Miscellaneous | 700 | 284 | 416 |
| Capital outlay | - | - | - |
| Total Police Department | 260,617 | 260,195 | 422 |
| FIRE SERVICE | | | |
| Fire contract | 3,000 | 3,000 | - |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

GENERAL FUND

STATEMENTS OF EXPENDITURES, COMPARED TO BUDGET - Continued
YEAR ENDED MARCH 31, 2004

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|----------------------------|------------------|------------------|---|
| BUILDING OFFICIAL | | | |
| Salaries | 5,400 | 5,377 | 23 |
| Employer's social security | 390 | 382 | 8 |
| Miscellaneous | 300 | 177 | 123 |
| Total Building Official | 6,090 | 5,936 | 154 |
| RUBBISH | | | |
| Collections services | 3,061 | 3,061 | - |
| PARK | | | |
| Repairs and maintenance | 22,652 | 22,652 | - |
| Utilities | 400 | 353 | 47 |
| Contracted services | 1,500 | 1,500 | - |
| Total Park | 24,552 | 24,505 | 47 |
| MAINTENANCE | | | |
| Salaries | 65,000 | 57,114 | 7,886 |
| Employer's social security | 5,100 | 4,538 | 562 |
| Hospitalization insurance | 9,450 | 9,130 | 320 |
| Retirement | 4,100 | 1,147 | 2,953 |
| Workers' compensation | 1,000 | 3,997 | (2,997) |
| Supplies | 500 | 296 | 204 |
| Uniforms | 1,800 | 1,832 | (32) |
| Communications | 1,000 | 717 | 283 |
| Fuel, oil and lube | 5,000 | 3,771 | 1,229 |
| General insurance | 5,747 | 5,747 | - |
| Utilities | 2,500 | 3,634 | (1,134) |
| Repairs - equipment | 5,500 | 4,749 | 751 |
| Repairs - general | 13,288 | 10,371 | 2,917 |
| Miscellaneous | 100 | 121 | (21) |
| Capital outlay | 200 | 1,560 | (1,360) |
| Total Maintenance | 120,285 | 108,724 | 11,561 |
| Total Expenditures | <u>\$520,176</u> | <u>\$509,065</u> | <u>\$ 11,111</u> |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004

| | Major Street | Local Street | Total |
|-----------------------------------|------------------|------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 40,849 | \$ 44,608 | \$ 85,457 |
| Due from other governmental units | <u>16,212</u> | <u>6,014</u> | <u>22,226</u> |
| Total assets | <u>\$ 57,061</u> | <u>\$ 50,622</u> | <u>\$ 107,683</u> |

LIABILITIES AND FUND BALANCE

| | | | |
|---------------------------------------|------------------|------------------|-------------------|
| LIABILITIES | | | |
| Accounts payable | \$ 112 | \$ 100 | \$ 212 |
| Wages payable | <u>165</u> | <u>126</u> | <u>291</u> |
| Total liabilities | 277 | 226 | 503 |
| FUND BALANCE | | | |
| Unreserved | <u>56,784</u> | <u>50,396</u> | <u>107,180</u> |
| Total liabilities and fund balance | <u>\$ 57,061</u> | <u>\$ 50,622</u> | <u>\$ 107,683</u> |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2004

| | Major Street | Local Street | Total |
|--|-----------------|-----------------|------------|
| REVENUES | | | |
| State aid | \$ 83,416 | \$ 30,884 | \$ 114,300 |
| EXPENDITURES | | | |
| Highways and streets | 72,354 | 42,461 | 114,815 |
| Excess (deficiency) of revenues over expenditures | 11,062 | (11,577) | (515) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | - | 25,250 | 25,250 |
| Operating transfers out | (20,250) | - | (20,250) |
| Total other financing sources (uses) | (20,250) | 25,250 | 5,000 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (9,188) | 13,673 | 4,485 |
| FUND BALANCE - BEGINNING | 65,972 | 36,723 | 102,695 |
| FUND BALANCE - ENDING | \$ 56,784 | \$ 50,396 | \$ 107,180 |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

MAJOR STREET FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

| | <u>Budget</u> | <u>Actual</u> | Variance- Favorable (Unfavorable) |
|--|------------------|------------------|---|
| REVENUES | | | |
| State highway grant | \$ 81,500 | \$ 83,416 | \$ 1,916 |
| EXPENDITURES | | | |
| Street construction | 17,135 | 17,135 | - |
| Routine maintenance | | | |
| Salaries and wages | 6,000 | 3,924 | 2,076 |
| Employer's social security | 500 | 311 | 189 |
| Hospitalization insurance | 5,130 | 3,493 | 1,637 |
| Retirement | 360 | 1,147 | (787) |
| Workers' compensation | - | 315 | (315) |
| Office supplies | 60 | 54 | 6 |
| General insurance | 5,747 | 5,747 | - |
| Street maintenance | 20,293 | 20,102 | 191 |
| Equipment rental | 5,000 | 3,658 | 1,342 |
| Miscellaneous | 1,298 | 1,270 | 28 |
| Winter maintenance | | | |
| Salaries and wages | 4,000 | 4,164 | (164) |
| Employer's social security | 350 | 325 | 25 |
| Hospitalization insurance | 3,420 | 3,706 | (286) |
| Retirement | 240 | 1,147 | (907) |
| Workers' compensation | - | 330 | (330) |
| Supplies | 1,000 | 314 | 686 |
| Equipment rental | 4,000 | 5,212 | (1,212) |
| Total expenditures | <u>74,533</u> | <u>72,354</u> | <u>2,179</u> |
| Excess of revenues over expenditures | 6,967 | 11,062 | 4,095 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers out | <u>(20,250)</u> | <u>(20,250)</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures and other uses | (13,283) | (9,188) | 4,095 |
| FUND BALANCE - BEGINNING | <u>65,972</u> | <u>65,972</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 52,689</u> | <u>\$ 56,784</u> | <u>\$ 4,095</u> |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

LOCAL STREET FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|--|-----------|-----------|---|
| REVENUES | | | |
| State highway grant | \$ 30,000 | \$ 30,884 | \$ 884 |
| EXPENDITURES | | | |
| Street construction | 9,573 | 9,573 | - |
| Routine maintenance | | | |
| Salaries and wages | 3,000 | 2,229 | 771 |
| Employer's social security | 230 | 180 | 50 |
| Hospitalization insurance | 3,875 | 3,028 | 847 |
| Retirement | 180 | 1,147 | (967) |
| Workers' compensation | 500 | 180 | 320 |
| General insurance | 5,747 | 5,747 | - |
| Street maintenance | 7,000 | 6,931 | 69 |
| Equipment rental | 3,000 | 1,301 | 1,699 |
| Miscellaneous | 317 | 317 | - |
| Winter maintenance | | | |
| Salaries and wages | 3,000 | 3,029 | (29) |
| Employer's social security | 230 | 234 | (4) |
| Hospitalization insurance | 3,875 | 4,183 | (308) |
| Retirement | 180 | 1,147 | (967) |
| Workers' compensation | - | 245 | (245) |
| Supplies | 574 | 148 | 426 |
| Equipment rental | 2,000 | 2,842 | (842) |
| Total expenditures | 43,281 | 42,461 | 820 |
| Excess (deficiency) of revenues over expenditures | (13,281) | (11,577) | 1,704 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 25,250 | 25,250 | - |
| Excess of revenues and other sources over expenditures | 11,969 | 13,673 | 1,704 |
| FUND BALANCE - BEGINNING | 36,723 | 36,723 | - |
| FUND BALANCE - ENDING | \$ 48,692 | \$ 50,396 | \$ 1,704 |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

WATER UTILITY FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

CURRENT ASSETS

| | |
|---------------------------|-----------|
| Cash and cash equivalents | \$ 10,503 |
| Accounts receivable | 24,280 |
| Due from other funds | - |
| | <hr/> |
| Total current assets | 34,783 |

RESTRICTED ASSETS

| | |
|--------------------------------|---------------|
| Cash and cash equivalents | 40,500 |
| Special assessments receivable | <hr/> 123,772 |
| | |
| Total restricted assets | 164,272 |

FIXED ASSETS

| | |
|--|---------------|
| Property, plant and equipment, at cost, less accumulated depreciation of \$366,266 | <hr/> 869,504 |
|--|---------------|

| | |
|--------------|--------------------|
| Total assets | <u>\$1,068,559</u> |
|--------------|--------------------|

See accompanying notes to financial statements

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

| | |
|-----------------------------------|--------------|
| Current portion of long-term debt | \$ 10,000 |
| Accounts payable | 647 |
| Wages payable | 369 |
| Accrued interest | <u>4,265</u> |
| Total current liabilities | 15,281 |

LONG-TERM LIABILITIES

| | |
|-----------------------|----------------|
| Revenue bonds payable | <u>185,000</u> |
| Total liabilities | 200,281 |

FUND EQUITY

| | |
|---|--------------------|
| Contributed capital | 740,391 |
| Retained earnings | |
| Reserved for bond interest and redemption | 20,500 |
| Reserved for improvement and replacement | <u>20,000</u> |
| Total retained earnings - reserved | 40,500 |
| Unreserved | <u>87,387</u> |
| Total retained earnings | <u>127,887</u> |
| Total fund equity | <u>868,278</u> |
| Total liabilities and fund equity | <u>\$1,068,559</u> |

VILLAGE OF WHITE PIGEON

WATER UTILITY FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|---|-----------|-----------|---|
| OPERATING REVENUES | | | |
| Charges for services | \$ 89,212 | \$ 93,926 | \$ 4,714 |
| OPERATING EXPENSES | | | |
| Salaries and wages | 35,000 | 38,910 | (3,910) |
| Employer's social security | 2,600 | 3,060 | (460) |
| Hospitalization insurance | 11,300 | 11,398 | (98) |
| Retirement | 2,100 | 1,147 | 953 |
| Workers' compensation | - | 2,075 | (2,075) |
| Office supplies | 500 | 461 | 39 |
| Professional services | 500 | 450 | 50 |
| General insurance | 5,747 | 5,747 | - |
| Utilities | 3,500 | 4,626 | (1,126) |
| Repair and maintenance | 15,000 | 16,679 | (1,679) |
| Equipment rental | 7,000 | 5,997 | 1,003 |
| Depreciation | 28,800 | 42,140 | (13,340) |
| Miscellaneous | 196 | 409 | (213) |
| Total operating expenses | 112,243 | 133,099 | (20,856) |
| NET OPERATING EARNINGS (LOSS) | (23,031) | (39,173) | (16,142) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest income | 100 | 8,107 | 8,007 |
| Interest expense | (10,950) | (10,730) | 220 |
| Total nonoperating revenues (expenses) | (10,850) | (2,623) | 8,227 |
| INCOME (LOSS) BEFORE OPERATING TRANSFER | (33,881) | (41,796) | (7,915) |
| Operating transfer in | 50,000 | 50,000 | - |
| NET EARNINGS | 16,119 | 8,204 | (7,915) |
| RETAINED EARNINGS - BEGINNING | 119,683 | 119,683 | - |
| RETAINED EARNINGS - ENDING | \$135,802 | \$127,887 | \$ (7,915) |

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON
WATER UTILITY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2004

CASH PROVIDED INTERNALLY:

| | |
|--------------------------------------|---------------|
| Net earnings | \$ 8,204 |
| Items not requiring the use of cash: | |
| Depreciation | <u>42,140</u> |
| Cash provided by operations | 50,344 |
| Changes in working capital: | |
| Accounts receivable | (2,615) |
| Due from other funds | - |
| Accounts payable | (1,788) |
| Wages payable | (1,086) |
| Accrued interest | <u>(220)</u> |
| Net cash provided internally | 44,635 |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

| | |
|---|-----------------|
| Collection of special assessments | 8,775 |
| Contributed capital proceeds | - |
| Acquisition of capital assets | - |
| Principal payments on debt | <u>(10,000)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(1,225)</u> |

NET INCREASE IN CASH AND CASH EQUIVALENTS 43,410

CASH AND CASH EQUIVALENTS - BEGINNING 7,593

CASH AND CASH EQUIVALENTS - ENDING \$ 51,003

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

FIDUCIARY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash

\$ 1,131

LIABILITIES

Due to other funds

\$ 1,131

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON
UNEMPLOYMENT COMPENSATION FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

| | |
|------|-----------------|
| Cash | \$ <u>1,000</u> |
|------|-----------------|

LIABILITIES

| | |
|--------------------|-----------------|
| Due to other funds | \$ <u>1,000</u> |
|--------------------|-----------------|

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON
DISASTER CONTINGENCY FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash

\$ 131

LIABILITIES

Due to other funds

\$ 131

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

STATEMENT OF GENERAL FIXED ASSET GROUP OF ACCOUNTS
MARCH 31, 2004

General Fixed Assets

| | |
|----------------------------|-------------------|
| Land and buildings | \$ 419,045 |
| Equipment and vehicles | <u>438,735</u> |
| Total general fixed assets | <u>\$ 857,780</u> |

| | |
|------------------------------------|-------------------|
| Investment In General Fixed Assets | <u>\$ 857,780</u> |
|------------------------------------|-------------------|

See accompanying notes to financial statements